

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF WATER QUALITY
APRIL 18, 2023**

ITEM 2

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION AUTHORIZING THE DEPUTY DIRECTOR OF THE DIVISION OF FINANCIAL ASSISTANCE AND DEPUTY DIRECTOR'S DESIGNEE TO EXECUTE AND AMEND FUNDING AGREEMENTS FOR WATER RECYCLING RESEARCH AND DEVELOPMENT.

DISCUSSION

California's August 2022 "Water Supply Strategy, Adapting to a Hotter, Drier Future" (Water Supply Strategy) projects that the hotter and drier weather could diminish California's existing water supply by up to 10% by 2040 due to accelerating climate change. It establishes new goals and specific implementation actions to ensure California has the water needed for generations to come. The Water Supply Strategy sets goals of recycling at least 800,000 acre-feet of water per year by 2030 and 1.8 million acre-feet by 2040, with most of that additional recycling involving direct wastewater discharges that are now going to the ocean.

On February 3, 2009, the State Water Board adopted the Policy for Water Quality Control for Recycled Water (Recycled Water Policy) ([Resolution No. 2009-0011](#)). On December 11, 2018, the Recycled Water Policy was amended ([Resolution No. 2018-0057](#)) to specify and update the requirements for monitoring constituents of emerging concern (CECs) in recycled water consistent with the advancements in recycled water use, regulations, and research. The State Water Board recognizes that recycled water is critical to California's water supply and is implementing the Recycled Water Policy, streamlining permitting for recycled water projects, and identifying and funding the highest priority research needs to ensure the state's recycled water goals are achieved.

The Costa-Machado Water Act of 2000 (Proposition 13), the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1), and the California Drought, Water, Parks, Climate, Coastal Protection, Outdoor Protection for All Act of 2018 (Proposition 68) authorized funding for water recycling research and development pursuant to Water Code sections 79135 et seq. and 79765 et seq. Water Code section 79144 specifically authorizes State Water Board to undertake plans, surveys, research, development, studies, and reports on the collection, treatment, and disposal of waste and on wastewater recycling. The State Water Board may dedicate up to three percent of the Proposition 13, Proposition 1, and Proposition 68 funding as well as up to three percent of the construction loan repayments to recycled water research and development as set forth in section 79144 of the Water Code.

State Water Board adopted [Resolution No. 2017-0034](#) authorizing the Deputy Director of DFA and the Deputy Director's designee to award and execute Proposition 13 and Proposition 1 grant agreements and amendments for recycled water research and development.

The proposed resolution would authorize the Deputy Director of the Division of Financial Assistance and the Deputy Director's Designee to execute and amend Propositions 13, 1, and 68 grant agreements for recycled water research and development. The proposed resolution would also direct Division of Water Quality staff to consult with members of the scientific and recycled water communities, including representatives of wastewater, stormwater, and drinking water entities, as well as California communities using or proposing to use recycled water, to identify and prioritize research needed to promote the production, use, and acceptance of recycled water in California.

POLICY ISSUE

Should the State Water Board:

1. Authorize the Deputy Director of Division of Financial Assistance and the Deputy Director's designee to execute and amend Propositions 13, 1, and 68 grant agreements for recycled water research and development to the extent funds are available and appropriated, and not to exceed the maximum allowed by Propositions 13, 1, and 68?
2. Directs Division of Water Quality staff to consult with members of the scientific and recycled water communities, including representatives of wastewater, stormwater, and drinking water entities, as well as California communities using or proposing to use recycled water, to identify and prioritize research needed to promote the production, use, and acceptance of recycled water in California?

FISCAL IMPACT

The State Water Board may dedicate up to three percent of the Proposition 13, Proposition 1, and Proposition 68 recycled water allocation for administration of the recycled water funds as set forth in section 79145 of the Water Code.

Approximately \$3,286,500 of water recycling funds from Proposition 13, 1, and 68 is currently available for research and development. As of February 14, 2023, there is an appropriation balance of \$386,480 for Proposition 13 water recycling research; these funds are continuously appropriated. As of February 14, 2023, the appropriation balance of Proposition 1 funds is \$500,045; the encumbrance period ends June 30, 2024. As of February 14, 2023, the appropriation balance of Proposition 68 funds is \$2,400,000; the encumbrance period ends June 30, 2025. The appropriation balance of Proposition 13, 1, and 68 funds are sufficient to fund agreements authorized by this resolution.

State Water Board staff work associated with this action can be accomplished within budgeted resources.

REGIONAL BOARD IMPACT

Regional Boards will be consulted in developing research priorities for the grant agreements and will participate in evaluating research findings.

STAFF RECOMMENDATION

Staff recommends that State Water Board adopt the proposed resolution.